

## Calculating Recapture - Capital Improvements Credit

### What are Capital Improvements?

Capital improvements are **additions** that add to the value of property above and beyond repairs that maintain property in good condition. General maintenance and updating your home to keep it in good condition does not qualify as a capital improvement. You can obtain credit for the “value” that the capital improvement added to your home, not the actual cost of the improvement. An appraiser must determine how much “value” is added.

- **Examples of capital improvements that are eligible for credit include:** Adding a garage, constructing an additional room, or adding a deck, patio, porch, fence, storm windows, skylights, outside lighting, or major landscaping.
- **Examples of activities that do not qualify for capital improvements credit include:** Yard maintenance, painting, wallpapering, replacing floor coverings such as carpets or linoleum, replacing the roof, siding, wells, septic systems, new or replacement appliances, furnaces, or water heaters.

### How can I Receive Credit for Capital Improvements?

If you wish to receive credit for capital improvements, please complete this form and submit it to your local field office within 10 days. Please list additions and/or improvements to your home that you wish to be considered. Provide a brief description of the capital improvement and the date the work was completed (for example, constructed a 10’ X 12’ deck in July 1998).

Once an appraiser has reviewed your request for capital improvements credit, a determination will be made regarding the eligible improvements based on Agency guidelines. The local field office will be in contact with you regarding an appraisal.

#### **Improvements to be considered:**

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**Borrower(s) signature**

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**Address of Property**

**Date** \_\_\_\_\_

\*\*\*\*\*Please return to your local field office within 10 days\*\*\*\*\*